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PRESS RELEASE

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Arizona DIFI Announces Extension of Major Medical Transitional Policies through Calendar Year 2022

Phoenix - The Arizona Department of Insurance and Financial Institutions (DIFI) announced today that insurers in the individual and small group¹ major medical health insurance markets can choose to renew transitional policies for a policy year beginning on or before October 1, 2022. Transitional policies are policies that individuals had in place before the Affordable Care Act went into full effect on January 1, 2014. At least 6 health insurers have individual or small group transitional policies still in effect in Arizona. Arizona has continued to extend these transitional plans (also known as grandmothers plans) so that individuals do not lose their coverage.

This extension is the maximum extension permitted under the [Insurance Standards Bulletin](#) issued on January 19, 2021 by the Center for Consumer Information and Insurance Oversight (CCIO), and gives insurers the option to continue the pre-2014 individual and small group policies covering approximately 44,000 Arizonans through the end of 2022. Insurers that offer this extension of transitional coverage are required to send each policyholder a renewal notice that explains the offer to continue the transitional policy through the end of 2022 and includes information regarding any related price increase. Insurers must also send a 90-day notice for the final discontinuation of the transitional plans.

The extension does not affect grandfathered policies issued prior to March 23, 2010. These policies can remain in effect as long as they maintain grandfathered status.

For additional information on the Affordable Care Act, please visit the [Arizona Department of Insurance and Financial Institution](#) website.

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¹ Small Group refers to a policy issued to an employer who employs at least two but not more than fifty eligible employees (ARS § 20-2301(A)(21)).